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NFBA FOODSERVICE SURVEY

NATIONAL FOOD BROKERS ASSOCIATION
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WASHINGTON, DC 20036

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This report is based on responses from 700 NFBA member food brokers.

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NATIONAL FOOD BROKERS ASSOCIATION

FOODSERVICE CENSUS

INTRODUCTION

NFBA recently conducted a special survey of the membership to compile data on the increasingly important category of foodservice sales. This booklet contains the results of that survey.

The figures in this report are based on responses from 700 NFBA members, 87 percent of whom are involved in the foodservice market. Over 13 percent of the respondents indicated they sell exclusively to the foodservice market. In addition, 63 percent of those involved in foodservice sales maintain a separate department in their firm for this business.

In some instances you will notice that the response percentages do not add up to 100 percent. This is not an error. A few of the survey questions allowed multiple answers.

Projections for foodservice sales by the survey respondents were generally strong. Fifty-six percent of the foodservice brokers said they expect greater than a 10 percent increase in their foodservice volume during the next five years and another 29 percent projected this growth in volume at six to ten percent.

The typical foodservice food broker has a solid background in foodservice sales, according to the survey. Over 81 percent of the NFBA members responding reported a minimum of five years experience, with one-third of the respondents showing over 20 years in the foodservice field.

Seventy-three percent of the food brokers responding to the survey predicted that the greatest opportunities for growth and profit in the future will be in foodservice sales rather than retail sales.

This report is broken down into four sections: Background; Organizational Structure; Future Outlook; and Industry Participation.

We hope you will find these results useful in evaluating your own foodservice sales department or in your decision to enter the foodservice sales category.

I. BACKGROUND

1. Does your firm sell to the foodservice market?

616	Yes	
84	No	(If no, you need not answer the balance of questionnaire, but please return it to us)

2. For how many years has your firm sold to the foodservice market?

8	1.3%	Less than 1 year
106	17.2%	1 to 5 years
116	18.8%	6 to 10 years
179	29.1%	10 to 20 years
205	33.3%	Over 20 years
2	0.3%	No answer

3. How did your firm happen to enter into the foodservice market? (Please check all that apply)

59.7%	Saw an opportunity in foodservice market growth
50.0%	Started as an additional service to a principal
6.5%	Through a principal's merger or acquisition
13.3%	Other

II. ORGANIZATIONAL STRUCTURE

4. Does your firm handle both foodservice and retail business?

86.5%	Yes
13.5%	No (If no, skip to Question 7)

5. If your firm sells to both retail and foodservice accounts, are separate departments set up to handle each kind of business?

63.0%	Yes
37.0%	No

6. Does each department operate as a separate profit center?

56.0%	Yes
44.0%	No

7. Is the foodservice segment of your business profitable?

85.0%	Yes
15.0%	No

8. Is the foodservice manager an officer, owner/co-owner or a member of the firm's management board? (Please check all that apply)

36.7%	Officer
44.5%	Owner/co-owner
36.9%	Member of management board
7.8%	Other
10.1%	None of the above

9. How many total full-time personnel are there in your firm?

3.1%	0	13.8%	16 to 25
29.4%	1 to 4	11.5%	26 to 50
22.4%	6 to 10	8.0%	More than 50
11.4%	11 to 15		

10. How many foodservice sales personnel are there in your firm?

82.0%	5 or less
14.0%	6 to 10
4.0%	10 or more

11. How many employees (both sales and non-sales personnel) are engaged in activities relating to the foodservice side of your business?

71.0%	5 or less
20.0%	6 to 10
9.0%	10 or more

12. About how many years of experience in the foodservice industry does your typical foodservice salesman have?

26.0%	5 or less
33.0%	6 to 10
27.0%	11 to 20
14.0%	20 or more

13. How many foodservice sales personnel did your brokerage firm employ five (5) years ago?

95.7%	5 or less

14. How many foodservice sales personnel do you think your firm will be employing five (5) years from now?

55.0%	5 or less
31.0%	6 to 10
11.0%	11 to 20
3.0%	20 or more

15. When new sales positions or vacancies are filled, are they usually filled by personnel within the firm or by recruiting from outside the firm?

22.1%	Usually filled from within
45.6%	Usually by outside recruitment
20.9%	About evenly from both sources
4.7%	Not sure

16. How many foodservice principals does your firm represent?

4.9%	0	25.6%	11 to 15
16.1%	1 to 5	12.8%	16 to 20
31.3%	6 to 10	9.3%	20 and over

17. Are principals accepted or solicited on the basis of the kind of product mix your firm wants to represent?

82.0%	Yes
13.3%	No
4.7%	No answer

18. How many new foodservice principals has your firm added in the past two (2) years?

80.5%	1 to 5
17.4%	6 to 10
2.1%	10 and over

19. How many foodservice principals have you resigned or lost in the past two (2) years?

97.0%	5 or less

20. What is the average length of time your foodservice principals have been represented by your firm?

35.0%	0 to 5 years
41.0%	6 to 10 years
18.0%	11 to 20 years
6.0%	20 or more years

21. About what percent of your foodservice sales are from

47.0%	Dry groceries
28.0%	Frozen foods
2.0%	Disposables
0.1%	Janitorial
0.7%	Equipment
3.4%	Other

III. FUTURE OUTLOOK

22. What do you think the annual growth rate for your firm's foodservice business will be during the next five (5) years?

1.0%	Little or no growth
10.0%	1 to 5% per year
29.0%	6 to 10% per year
56.0%	over 10%
4.0%	Other

23. Do you think foodservice brokers in the future will become more involved or less involved with national accounts?

65.0%	More involved
13.0%	Less involved
3.0%	No change
6.0%	Not sure
13.0%	No answer

24. Do you think there will be an increasing trend toward the consolidation of distributors into groups?

77.0%	Yes
9.0%	No
14.0%	Not sure

25. Do you think that foodservice private labels will account for an increasing share of the foodservice business over the next five (5) years?

75.0%	Yes
14.0%	No
11.0%	Not sure

26. Which do you think will offer the greater opportunity for growth and profit for brokerage firms in the future, foodservice sales or retail sales?

73.0%	Foodservice
27.0%	Retail

IV. INDUSTRY PARTICIPATION

27. Are you involved in other regional or national foodservice associations?

54.0%	Regional only
16.0%	National only
30.0%	Both

28. Have you attended the National Restaurant Show during the past five (5) years?

57.0%	Yes
43.0%	No

29. Does your firm participate in distributor shows?

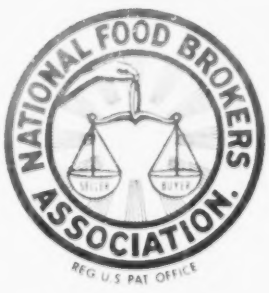
82.0%	Occasionally
10.0%	Seldom
8.0%	Never

20. How often does your firm participate in regional restaurant shows?

57.0%	Occasionally
21.0%	Seldom
22.0%	Never

31. In which one of the following ranges were your gross foodservice sales for 1977 from the foodservice portion of your business?

41.0%	Under $1 million
37.0%	$1 to $4 million
17.0%	$5 to $10 million
4.0%	$11 to $20 million
1.0%	Over $20 million



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Serving Food Brokers and the Food Industry Professionally for over 75 years